

Message Text

CONFIDENTIAL

PAGE 01 STATE 305804
ORIGIN EA-12

INFO OCT-01 ISO-00 PM-05 DODE-00 CIAE-00 INR-07
NSAE-00 TRSE-00 OMB-01 IGA-02 ACDA-12 L-03 MCE-00
/043 R

DRAFTED BY EA/TIMBS:REFRITTS:EVC
APPROVED BY EA/TIMBS:REFRITTS
PM/SAS - MR. MCELROY (DRAFT)
EA/RA-PMU:MEILAND (DRAFT)
DOD/ISA - COL. DOUSE (DRAFT)
EA - MR. OAKLEY (SUBS)
-----130529 230348Z /75
P 230143Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK PRIORITY

C O N F I D E N T I A L STATE 305804

E.O. 11652:GDS

TAGS: MASS, TH, US

SUBJECT:INCREASED FMS CREDITS FOR THAILAND

REF: BANGKOK 28819

1. DEPT FULLY CONCURS WITH EMBASSY-THAI RESPONSE REPORTED
REFTEL TO DISCOURAGE ANY RTG EXPECTATION THAT USG MIGHT
BE ABLE TO INCREASE FUTURE FMS CREDITS TO ASSIST RTG IN
MEETING ITS 1977-82 ONE BILLION DOLS ARMS PROCUREMENT
TARGET. THE DIRECTION OF THE U.S. ARMS TRANSFER POLICY
RULES OUT ANY SIGNIFICANT INCREASE IN FMS FINANCING LEVELS.
IN OUR VIEW, CURRENT AND PROPOSED FMS CREDIT LEVELS
RECOGNIZE IN A RESPONSIBLE MANNER RTG SECURITY CONCERNS
WITHIN THE CONSTRAINTS OF OUR POLICY AND CAPABILITIES.
THE TIMING OF THE U.S. BUDGET CYCLE IS NOT NEARLY AS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 305804

IMPORTANT IN THIS CONNECTION AS THE DIRECTION OF U.S.
ARMS TRANSFER POLICIES.

2. WE ARE ENCOURAGED BY INDICATIONS THAT THE NEW RTG
INTENDS TO FOCUS A MAJOR ECONOMIC EFFORT ON RURAL DEVELOP-
MENT. WE ASSUME THIS WILL REQUIRE A SIGNIFICANT ALLOCATION
OF FINANCIAL RESOURCES. DESPITE THE COMPLACENCY EXPRESSED

BY THE RTG LOGISTICS REPRESENTATIVES THAT THE ARMS PURCHASE

PROGRAM WOULD NOT HINDER RTG ECONOMIC OBJECTIVES, DEPT RECALLS THAT RTG EARLIER THIS YEAR (IN SEEKING TO BE ELIGIBLE FOR IDA LOANS) TERMED ITS INTERNATIONAL RESERVE LEVEL "FRAGILE AND TEMPORARY."

3. IN ADDITION, AS EMBASSY IS AWARE, WE ARE PLANNING TO INCREASE THE LEVEL OF OUR ECONOMIC ASSISTANCE TO RTG OVER THE NEXT FEW YEARS, ESPECIALLY FOR RURAL DEVELOPMENT PROGRAMS AS WELL AS HEALTH DISTRIBUTION SYSTEMS. THE SUCCESS OF THESE PROGRAMS DEPENDS UPON SIZEABLE RTG INPUT UNDER ITS FOURTH FIVE-YEAR PLAN. THE RTG HAS COMMITTED ITSELF TO COVER 86 PERCENT OF TOTAL COST OF ITS FIVE-YEAR PLAN. WE WOULD HOPE THAT THESE PROGRAMS WOULD NOT BE JEOPARDIZED BY PERCEPTIONS WITHIN EITHER THE U.S. CONGRESS OR THE RTG OF EXCESSIVELY LARGE ARMS EXPENDITURES.

4. DESPITE FMS CREDIT CONSTRAINTS, THE U.S. WILL CONTINUE A KEY ROLE IN CONTRIBUTING TO PEACE AND STABILITY OF THAILAND AND THE REGION. THE RTG MUST REALIZE, HOWEVER, THAT THE FORM OF OUR SECURITY COMMITMENT HAS EVOLVED, AND THAT RTG MUST PLACE INCREASED RELIANCE ON ITS OWN FINANCIAL RESOURCES. THAT APPROACH COULD REQUIRE SOME HARD CHOICES BETWEEN MILITARY AND ECONOMIC DEVELOPMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 305804

NEEDS. IN ADDITION TO CURRENT AND PROPOSED LEVELS OF FMS CREDITS, WE WILL BE RECEPTIVE TO RTG REQUESTS FOR FMS CASH PURCHASES -- WITHIN THE CEILING IMPOSED BY THE ARMS TRANSFER POLICY -- AND COMMERCIAL SALES. IN ANY CASE, THE RTG WOULD BE WELL ADVISED TO PLAN AND PROGRAM ITS MILITARY REQUIREMENTS SYSTEMATICALLY FOR THE LONG HAUL, TAKING INTO ACCOUNT NOT ONLY THE FINANCING OF BASIC PROCUREMENT BUT TRAINING AND SUPPLY/MAINTENANCE FACTORS AS WELL. FOR THIS REASON, WE WOULD BE AGREEABLE AT SOME POINT TO REVIEW THE FIVE-YEAR PLAN OF RTG MILITARY REQUIREMENTS WHICH THE RTG DESIRES TO OBTAIN FROM THE U.S. WE COULD THEREBY ASSESS THE RELATIVE PRIORITIES AND DETERMINE THE LEVEL AND TIMING OF PROGRAM PAYMENTS NECESSARY TO FINANCE ANY APPROVED REQUIREMENTS.

4. WE THUS SUPPORT EMBASSY IN TAKING WHATEVER FURTHER STEPS IT CONSIDERS APPROPRIATE TO ENSURE THAT THE RTG UNDERSTANDS THE REALITIES OF OUR ARMS TRANSFER POLICY. FULL RTG UNDERSTANDING OF OUR POSITION NOW WILL HOPEFULLY AVOID FUTURE FRICTIONS. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE305804
Document Source: CORE
Document Unique ID: 00
Drafter: REFRITTS:EVC
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770478-1113
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771221/aaaaarfb.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f3b9cafd-c188-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 BANGKOK 28819
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 137951
Secure: OPEN
Status: NATIVE
Subject: INCREASED FMS CREDITS FOR THAILAND
TAGS: MASS, TH, US
To: BANGKOK
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f3b9cafd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009